



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

March 18, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT  
COMPROMISE OFFER OF SETTLEMENT  
(SUPERVISORIAL DISTRICTS 1 AND 2)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services (Director) or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA – 8225332	\$30,000
(2)	Account Number	LAC+USC – Various	\$ 4,900
(3)	Account Number	H/UCLA – Various	\$ 4,500

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The compromise offer of settlement for patient account (1) is recommended because the patient is deceased, and this is the highest amount the patient's family is able to contribute to settle the account. The compromise offers of settlement for patient accounts (2) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlement involved in these cases.

The best interests of the County would be served by the approval of these compromises, since it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

#### **Implementation of Strategic Plan Goals**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

#### **FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$39,400.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On January 8, 2002, the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

Honorable Board of Supervisors  
March 18, 2008  
Page 3

**CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal stroke extending to the right.

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:AT:bjs

Attachments (3)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

031808\_DHS\_Compromise Offer

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: March 18, 2008

<b>Total Charges</b>	\$128,692	<b>Account Numbers</b>	8225332
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$128,692	<b>Dates of Service</b>	2/16/07 – 3/09/07
<b>Compromise Amount Offered</b>	\$30,000	<b>% of Charges</b>	23%
<b>Amount to be Written Off</b>	\$98,692	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$128,692 for medical services rendered. The patient is deceased and this compromise offer is being made by the patient's family. The patient did not have Medi-Cal or insurance coverage at the time medical treatment was provided and the patient's family does not want to apply retroactively for public assistance. Since the patient is deceased and based on the information provided, it appears that this is the highest amount the patient's family can contribute to settle the account.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: March 18, 2008

Total Charges	\$83,266	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$83,266	Date of Service	Various
Compromise Amount Offered	\$4,900	% Of Charges	6%
Amount to be Written Off	\$78,366	Facility	LAC+USC Medical Center

### JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$83,266 for medical services rendered. The patient qualified for ATP with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$5,000	33.33%
Lawyer's Cost			
LAC+USC Medical Center	\$83,266	\$5,000	33.33%
Other Lien Holders			
Patient		\$5,000	33.33%
Total		\$15,000	100%

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: March 18, 2008

Total Charges	\$38,754	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$38,754	Date of Service	Various
Compromise Amount Offered	\$4,500	% Of Charges	12%
Amount to be Written Off	\$34,254	Facility	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$38,754 for medical services rendered. The patient did not apply for Medi-Cal, thus is not eligible for ATP. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	34%
Lawyer's Cost	\$185	\$185	1%
H/UCLA Medical Center *	\$38,754	\$4,500	30%
Other Lien Holders *	\$1,717	\$1,717	11%
Patient		\$3,598	24%
Total		\$15,000	100%

\* Lien holders are receiving 41% of the settlement (30% to H/UCLA Medical Center and 11% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.